In Recognition of Sandia's SCRM Program, Delivering Over 500 Subcontractor Risk Assessments in 2018

UUR Portions of the Nomination

A: The globalization of modern supply chains has resulted in many new risks to Sandia's NW programs and mission. The potential impact of counterfeit products, tampering, theft, malicious software, poor manufacturing and/or development practices, and the influence of foreign governments has become more obvious as new threats and compromises continuously emerge. The Supply Chain Risk Management (SCRM) team was formed specifically to understand and address these risks. We were able to coalesce around these principles to develop and optimize an effective risk assessment process for critical suppliers, called Subcontractor Risk Assessments (SRAs). These elevated screening techniques are planned and delivered in a cost-effective way for Sandia's programs (no increase to purchasing burden rates) and also demonstrate due diligence to DOE/NNSA as a component of Sandia's overall SCRM strategy. SRAs are communicated in a concise 1-page format complete with recommendations as well as links to reference materials for those who require additional details about the SRA process and results.

B: When we began performing SRAs to look more closely at key suppliers, we utilized only a few new risk categories based on information we already had access to, such as financial risk. Over time, we added several new information sources to identify other potential risk areas, such as lower tier suppliers and counterfeit checks. We also re-vamped Sandia's internal subcontractor performance rating system (SCORE) so that results could feed into the SRAs. In the latter half of FY18 we fully adopted a more streamlined format for performing and delivering the assessments rapidly, which cut our lead time in half. Feedback from mission customers throughout FY18 have helped to shape the SRAs into what they are today and assist us with our goals for continuous improvement into FY19.

C: The SRA process and methodology has been recognized both within Sandia and by other labs and agencies as a best practice. Many NW and NEA stakeholders have gone out of their way to express gratitude and appreciation for the benefits that these new risk assessments provide to them. Prior to our development and use of the SRA, the only risk factors included in most procurement processes were a) financial stability and b) debarred checks. The new SRAs add many new elements into consideration, offering customers a more well-rounded view of risk with a graded approach. In addition, SRAs come with specific recommendations to mitigate risks, including specially designed contract terms tailored to the specific risks identified, which their buyer can include in the purchase terms & conditions. Sandia also does business with sole source vendors and may have constraints that prevent them from simply engaging with an alternate vendor. Therefore, rather than simply pointing out potential risks and walking away, we provide options to customers and their buyers for specific actions they can take to help mitigate a variety of risks that may be associated with individual suppliers.

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